

Municipal Street Aid Program

Committee Meeting November 18, 2010
Secretary Carolann Wicks

Mission & Vision

- ▶ “DelDOT’s Mission: To provide a safe, efficient and environmentally sensitive transportation network that offers a variety of convenient and cost-effective choices for the movement of people and goods.”
- ▶ DelDOT’s vision is to deliver:
 - A well maintained transportation system
 - A program that integrates all modes statewide
 - More transit services
 - More bicycle and pedestrian facilities
 - Critical roadway and bridge projects to address safety & congestion issues
 - High quality motor vehicle services



Guiding Principles

- ▶ Provide transportation investments that enhance the safety of all travel modes
- ▶ Optimize, preserve and enhance the transportation system
- ▶ Maximize transportation choices for Delaware residents and visitors
- ▶ Provide cost effective solutions
- ▶ Continue to emphasize quality of life as our foundation
- ▶ Provide transportation opportunities that support economic development and growth
- ▶ Recognize the importance of providing excellent customer service in all aspects of fulfilling our mission and vision

Municipal Street Aid is:

- ▶ Authorized by State law
- ▶ Funded using Transportation Trust Fund revenues
- ▶ Appropriated annually by the Legislature through the Capitol Improvements Program
- ▶ Intended to assist in paying for the maintenance and reconstruction of municipal streets and bridges.

Authorized through:

TITLE 30

State Taxes

PART IV

Commodity Taxes

CHAPTER 51. MOTOR FUEL TAX

Subchapter III. State Aid to Municipalities for Streets

- 5161. Definitions.**
- 5162. Appropriations paid through State Treasurer.**
- 5163. Time and method of computation.**
- 5164. Certification of Secretary of Transportation; time for payment.**
- 5165. Expenditures of funds by municipalities; records, audits and regulations of municipalities.**
- 5166. Unauthorized expenditures; personal liability.**

Distributed by formula:

(Sec 5163.)

- “Each annual computation by the Department shall be made as follows:
 - 40% shall be distributed in the portion that the population of each municipality bears to the total population of all participating municipalities.
 - 60% shall be distributed in the proportion of the mileage of usable streets not maintained by the State in each municipality bears to the total mileage of said streets in all municipalities.
- “...compute annually on June 30th of each year or at the end of the state fiscal year the moneys due each participating municipality...”

The amount of funding is based on a formula that includes the population and the amount of road mileage maintained by each municipality.

To be used for:

(Sec 5165.)

- “An amount not exceeding 30% of the annual grant may be used for the following purposes:
 - Construction, installation, repair, maintenance or replacement of water and sewer systems;
 - Preparation or revision of comprehensive plans for urban renewal;
 - Payment of principal and interest on any bonds issued for the purpose of subdivision a. of this paragraph, (notwithstanding that such indebtedness may have been incurred prior to May 27, 1972.)
- “Any portion of the grant may be expended for:
 - Salaries and Wages incurred as a direct result of street repair, maintenance and construction.
 - Contracts – contractual obligations relating to street construction, reconstruction, repair and maintenance.
 - Sidewalks and Under/Overpasses costs incurred in the construction, reconstruction or repair necessary for pedestrian safety.
- “Any portion of the annual grant not expended above, may be expended for the following purposes:
 - Street improvements
 - Equipment related /utilized for street improvements and maintenance.
 - Rights-of-way – purchase and including the improvements and maintenance thereof.
 - Fund Administrator – a reasonable amount for maintenance of financial records.
 - Law enforcement Essentials.
 - Lighting of the streets and all expenses related thereto,
 - Payment of principal and interest on any bonds issued for street improvements.
- Unallowable Expenditures:
 - Electricity – Christmas lights
 - Garbage Truck
 - Trash Collection
 - Town Hall Maintenance
 - Flag Pole/Flags

Note: *Each municipality shall keep all funds received from the state municipal aid fund in a separate account, designated as “Municipal Street Aid Fund”.*

Via Annual Process:

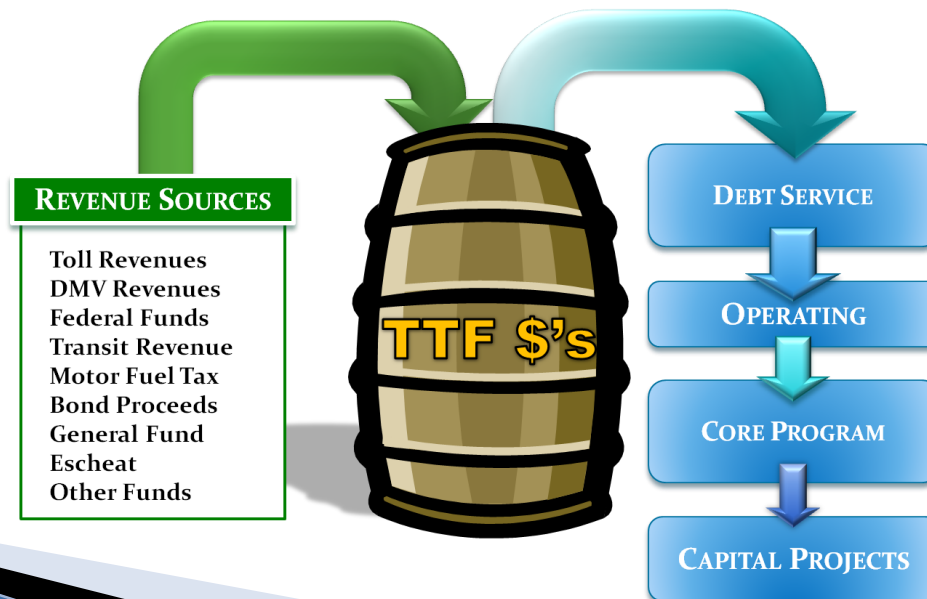
- By April 15th: letter sent to each municipality requesting updated information
- By May 15th : municipalities must respond to be included.
- DeIDOT verifies and creates a complete features inventory of any new streets/roads.
- DeIDOT enters the new mileage in the department's road inventory database.
- On, or before, June 30th: calculations are performed to determine the share entitled each of the 57 municipalities .
- After July 1st : Total funding determined following Bond Bill approval.
- Prepare memo for Director of Planning.
- Prepare letter for Secretary's signature.
- The distribution tabulation is forwarded to the State Treasurer's Office for the disbursement of funds.

Fiscal 2011 – Quick Facts:

- Program total \$4 million
 - (as high as \$6 million in previous years)
- Distributed to 57 municipalities
- Payments: \$650 to \$890,200
- Eligible expenses limited by law

Transportation Trust Fund

- ▶ The Transportation Trust Fund (TTF) was created in 1988 as a dedicated fund to support DelDOT and statewide transportation needs.
- ▶ The TTF supports all DelDOT activities, which include Debt Service, Department and Transit Operations, and a Capital program.
- ▶ Revenues deposited into the TTF are not earmarked for specific programs.



Transportation Trust Fund

- ▶ The disbursement of funds to programs and projects is made in consultation with local elected officials, Council on Transportation, WILMAPCO, Dover Kent MPO, Sussex County Council and the General Assembly.
- ▶ The TTF's flexibility provides for an integrated approach that:
 - Eliminates concern for the individual funding constraints because funds from all sources are available for all modes; and
 - Promotes planning of multi-modal solutions for transportation problems
- ▶ At the close of the fiscal year, unexpended funds remain in the TTF and do not revert to the State's General Fund.



Challenges

- ▶ DeIDOT is facing numerous challenges in our efforts to achieve our mission and move the First State forward
 - Increasing population statewide
(exceed 1.1 million by 2040 – 25% increase from 2010)
 - Increasing percentages of older drivers
(projected to increase from 27% to 35% by 2030)
 - Increasing traffic on roadways results in more congestion and new demands on older roadways
 - Need to increase the number of persons walking to work, school, transit stops and recreational activities.



Challenges (con't)

- Need to increase transit ridership due to increasing desire for alternative modes, and growing population
- Increasing State transportation costs due to aging infrastructure and growing demands on the system
- Decreasing available revenues due to slow economy and revenues not inflation sensitive
- Reduction in Gas Tax Revenues due to alternative and efficient vehicles (electric, compressed natural gas, etc).



TTF Revenue Sources

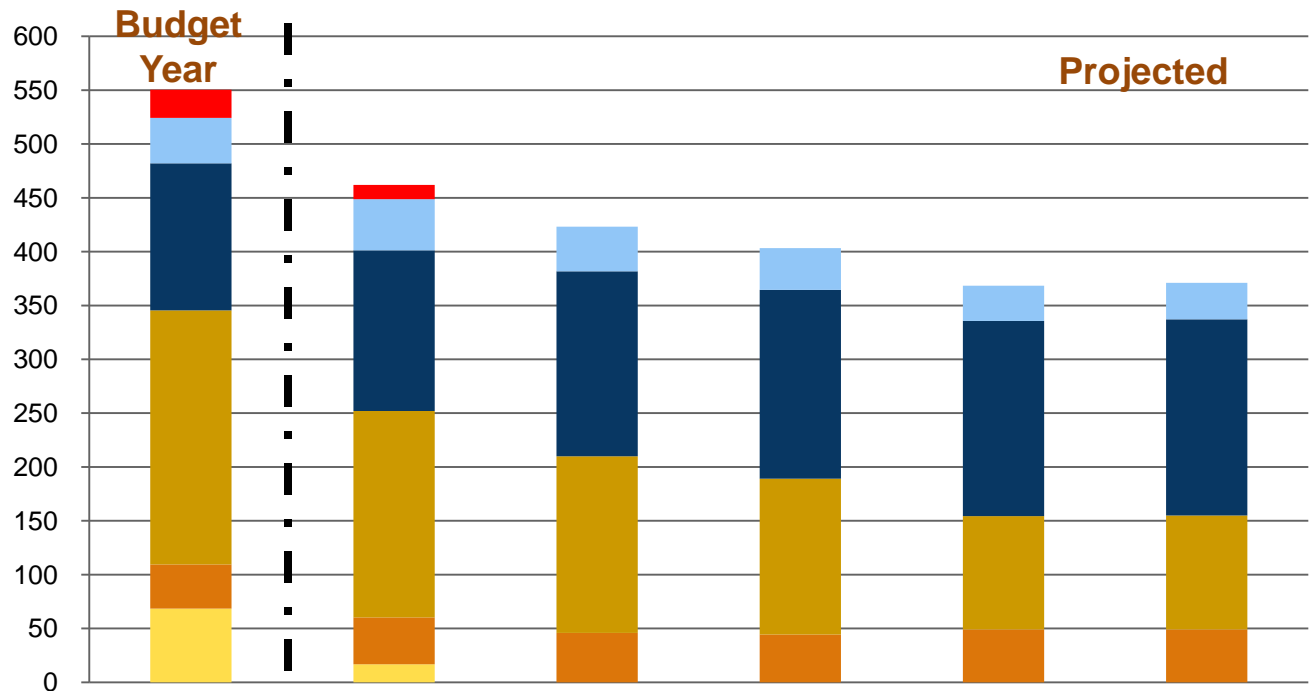
► TTF revenue sources include:

Tolls (I-95, SR1)	\$165
DMV Fees (License, Registration, Titles)	\$125
Motor Fuel Tax	\$116
Transit	\$17
Other	\$13
Total	\$436

FY10 revenues in \$000
Does not include bond funds



Capital Program

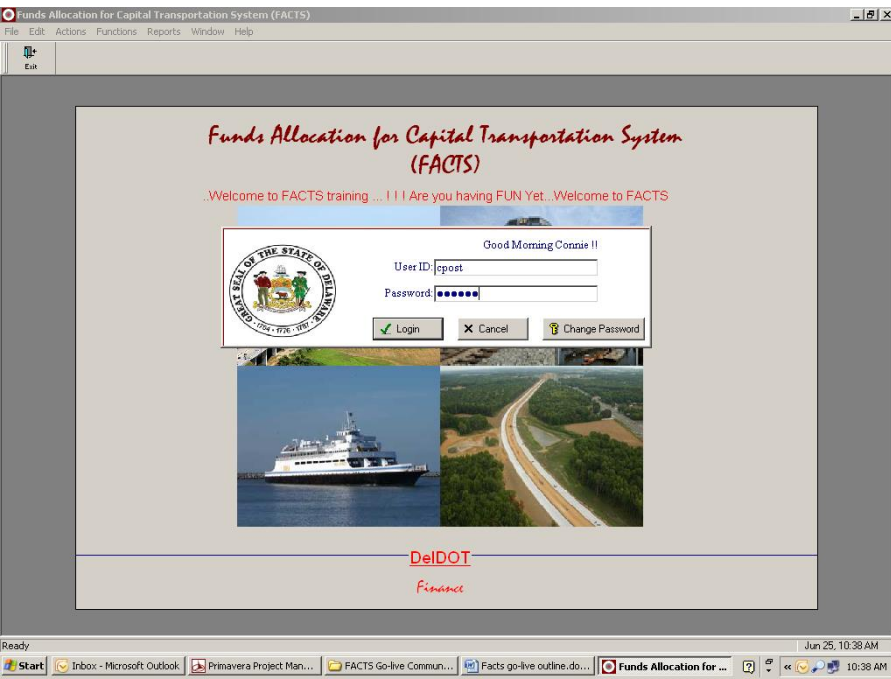


	PROJECTED					
	2011	2012	2013	2014	2015	2016
Federal Capital Expenditures	345.46	252.04	209.97	189.20	154.43	155.00
ARRA Funds	68.40	16.80	0.00	0.00	0.00	0.00
Federal Funds - Core Business Needs	41.04	43.46	45.94	44.39	49.19	49.19
Federal Funds - Capital	236.02	191.79	164.03	144.81	105.24	105.81
State Capital Expenditures	204.88	209.92	203.14	197.44	188.62	180.90
State Capital Spend - Core Business Needs	136.54	149.13	171.76	175.36	181.28	182.19
State Required to Match Federal Funds	42.32	47.52	41.47	38.76	32.69	33.81
100% State Capital Program	26.03	13.27	0.00	0.00	0.00	0.00
Total Capital Expenditures	550.35	461.96	413.11	386.64	343.05	335.90

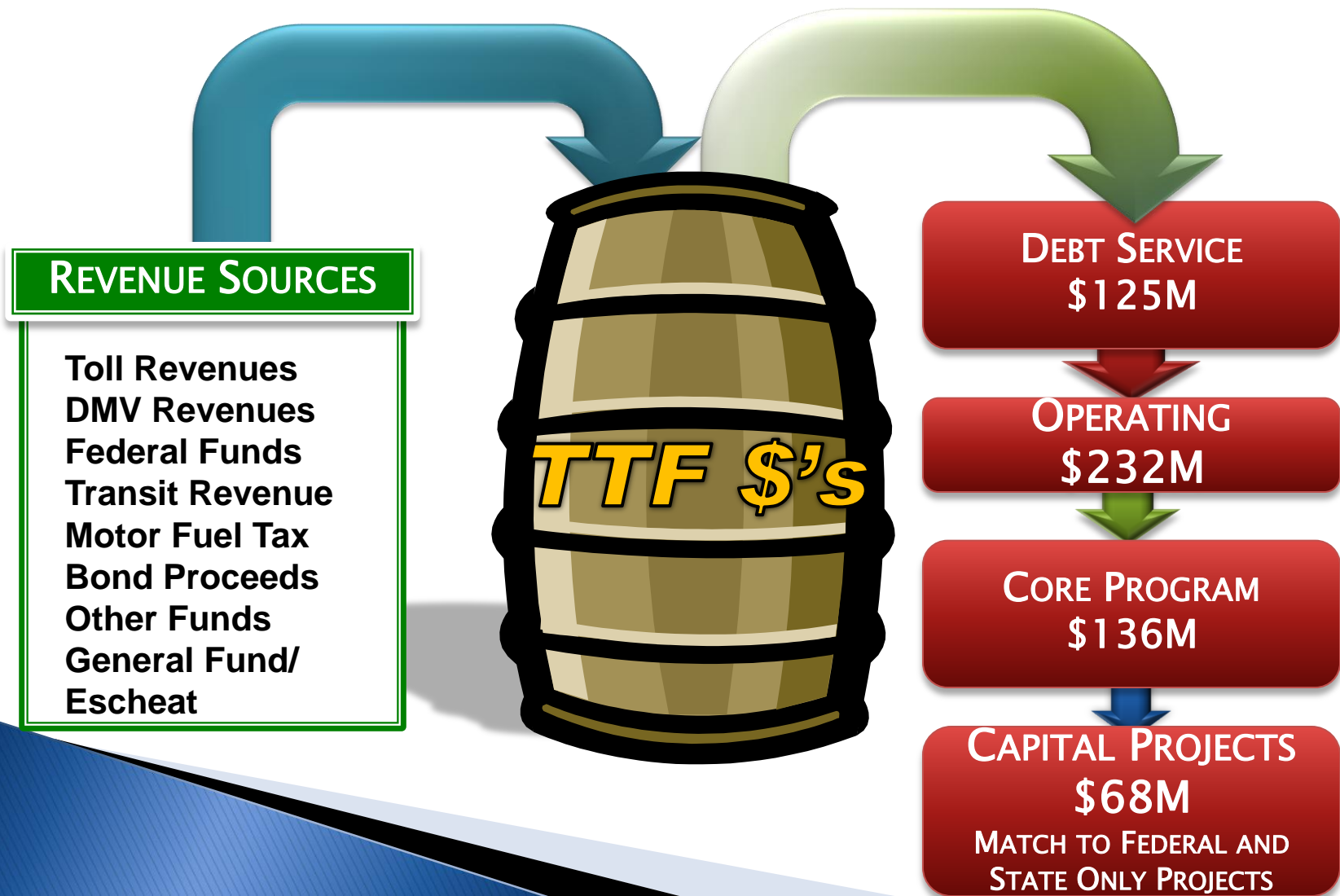


Finance

Kathy S. English, Director



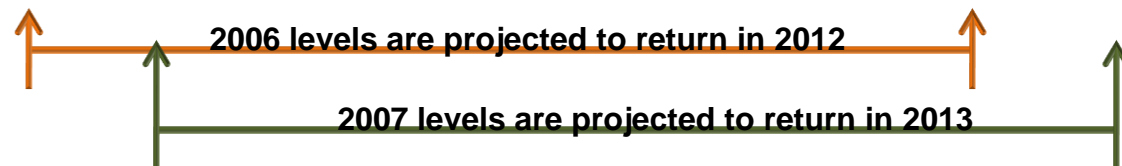
Transportation Trust Fund Preview



Effects of Economic Recession

- ▶ The national economic recession has adversely affected our TTF revenues.

	2006	2007	2008	2009	2010	2011	2012	2013
Total Revenue Sources	478	495	451	450	436	460	481	491



Revenues:

- Decreased in FYs 2008, 2009 & 2010
- At this same period, DeIDOT operating responsibilities and infrastructure needs have continued to increase.
- FY 2007 implemented fee increases on I-95 tolls, SR 1 weekend tolls, and drivers' licenses & registrations
- No Escheat funds received in 2008-2011 – anticipating in 2012 and beyond

Effects of Economic Recession

Conservative DEFAC Revenue Growth Rates:

		DEFAC FORECAST						
	FY 10	FY11	FY12	FY13	FY14	FY15	FY16	FY 17
	% Chg. FY 09	% Chg. FY 10	% Chg. FY 11	% Chg. FY 12	% Chg. FY 13	% Chg. FY 14	% Chg. FY 15	% Chg. FY 16
<u>TOLL ROAD REVENUES:</u>								
I95 Newark Plaza	-1.3%	-1.0%	0.9%	1.1%	1.1%	1.1%	1.1%	1.0%
Route 1 Toll Road	2.2%	0.4%	0.7%	1.3%	1.3%	1.3%	1.5%	1.6%
Concessions	-8.3%	5.3%	8.7%	4.0%	3.8%	3.7%	3.6%	3.4%
Total Toll Road Revenues	-0.5%	-0.5%	1.0%	1.2%	1.2%	1.2%	1.2%	1.2%
<u>MOTOR FUEL TAX ADMIN.</u>	-3.2%	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<u>DIVISION OF MOTOR VEHICLES</u>								
Motor Vehicle Document Fees	3.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Motor Vehicle Registration Fees	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other DMV Revenues	1.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total DMV Revenues	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<u>OTHER TRANSPORTATION REV.</u>								
Other Transportation Rev	32.5%	8.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Investment Income(Net)	-51.1%	28.3%	50.0%	16.7%	14.3%	0.0%	0.0%	0.0%
Total Other Transp. Revenue	2.3%	13.5%	13.1%	6.1%	5.7%	0.5%	0.5%	0.5%
GRAND TOTAL	-0.1%	1.5%	2.3%	2.2%	2.2%	1.9%	2.0%	2.0%

Current Challenges

	FY12	FY13	FY14	FY15	FY16
Total State Revenues Available for Capital Expenditures	\$209,915	\$203,142	\$197,443	\$188,624	\$180,901
Current Capital Transportation Plan	\$254,649	\$255,758	\$248,563	\$253,619	\$225,016
Funding Shortfall:	(\$44,734)	(\$52,616)	(\$51,120)	(\$64,995)	(\$44,115)

Results in additional project delays/cuts
Slows project development and construction activities

Federal Funding Challenges

Existing Transportation Bill extended to 12/10

Trust Fund becomes insolvent by 2012 without new revenues

Rescissions:

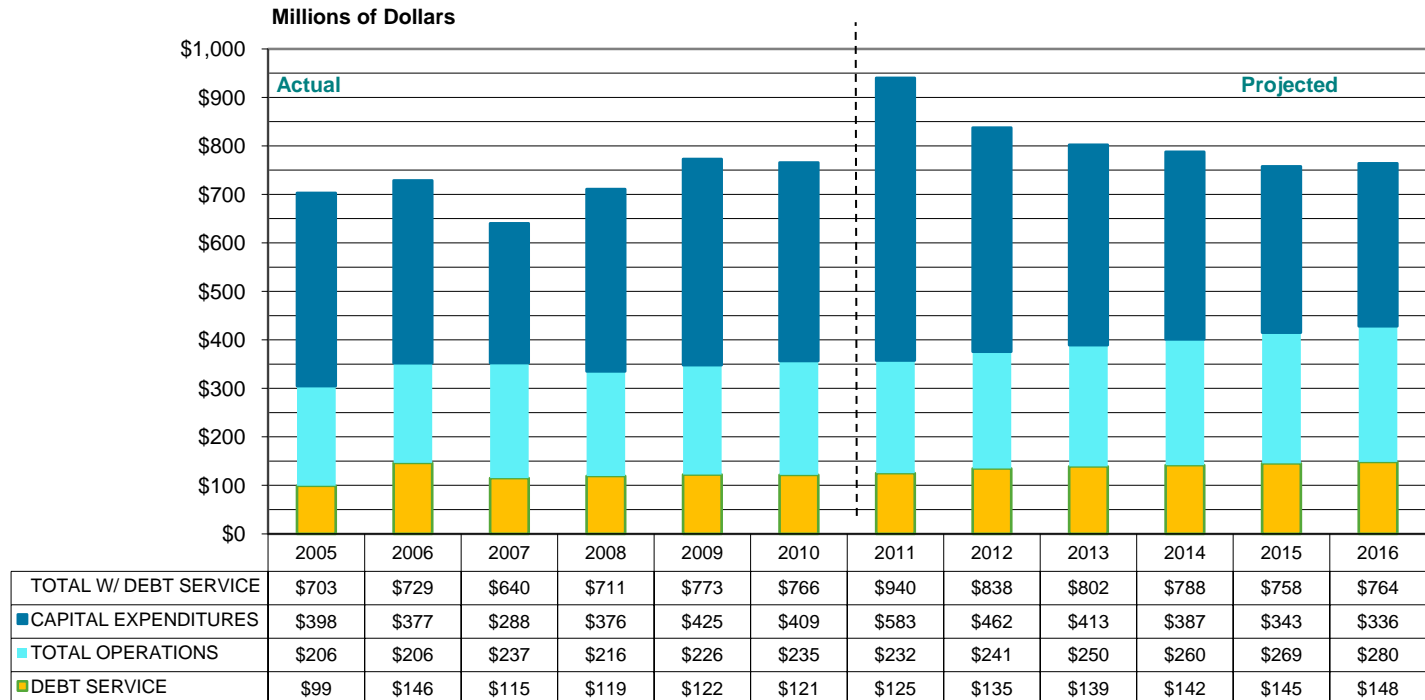
2005	\$14,064,166.78
2006	\$ 7,584,841.91
2007	\$10,730,541.17
2008	\$17,882,474.00
2009	\$47,002,767.00
2010	\$ 8,592,589.00
2011	<i>\$10,000,000.00*</i>

Annual Apportionment \$140M

Difficult to manage a multi-year program when funding allocations continue to change

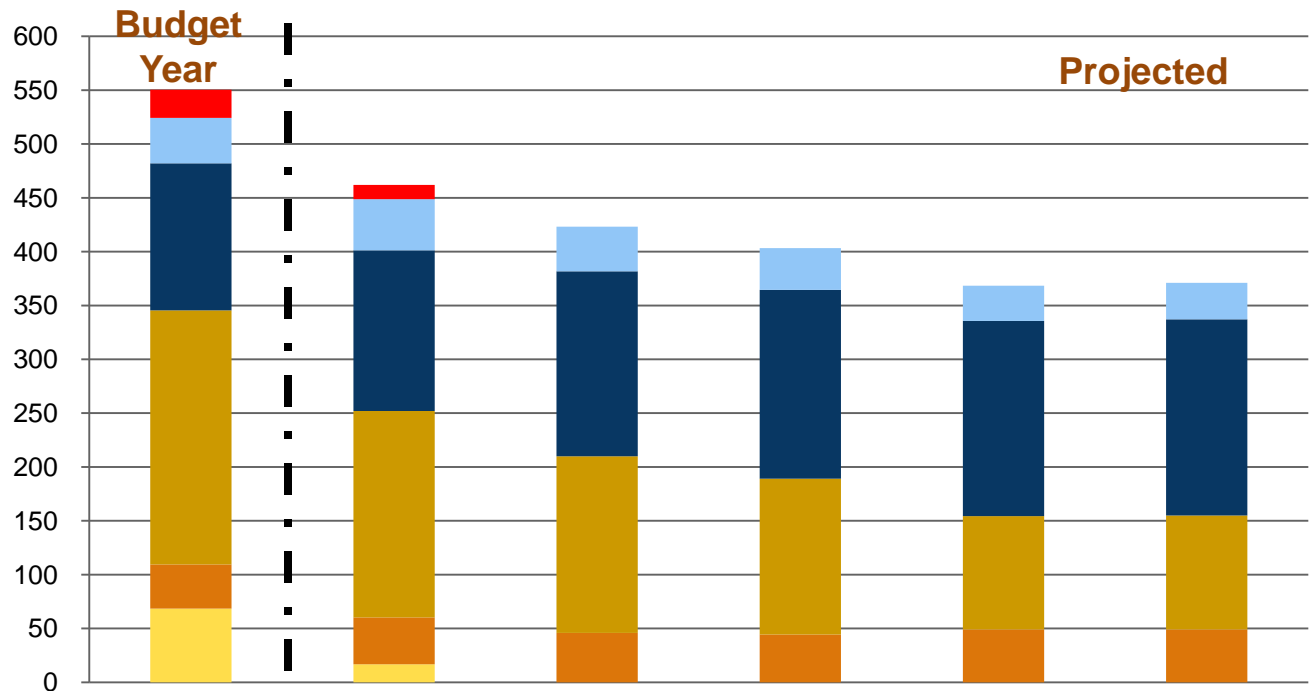
Transportation Trust Fund Preview

Uses of Funds



Represents 3% Department and 5% DTC annual growth rate
Includes Federal Funding – ARRA impacts in 2009-2012

Capital Program



	PROJECTED					
	2011	2012	2013	2014	2015	2016
Federal Capital Expenditures	345.46	252.04	209.97	189.20	154.43	155.00
ARRA Funds	68.40	16.80	0.00	0.00	0.00	0.00
Federal Funds - Core Business Needs	41.04	43.46	45.94	44.39	49.19	49.19
Federal Funds - Capital	236.02	191.79	164.03	144.81	105.24	105.81
State Capital Expenditures	204.88	209.92	203.14	197.44	188.62	180.90
State Capital Spend - Core Business Needs	136.54	149.13	171.76	175.36	181.28	182.19
State Required to Match Federal Funds	42.32	47.52	41.47	38.76	32.69	33.81
100% State Capital Program	26.03	13.27	0.00	0.00	0.00	0.00
Total Capital Expenditures	550.35	461.96	413.11	386.64	343.05	335.90

Questions?